

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6223

BILL NUMBER: SB 7

DATE PREPARED: Jan 31, 2001

BILL AMENDED: Jan 30, 2001

SUBJECT: Uniform Athlete Agents Act.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes registration requirements for an athlete agent. The bill authorizes the Attorney General to regulate athlete agents. The bill establishes requirements for agency contracts between student athletes and athlete agents. The bill allows a student athlete to cancel an agency contract within 14 days after the contract is signed. The bill establishes various criminal and civil penalties for violation of the act. It authorizes an action by an educational institution against an athlete agent or a former student athlete for damages caused by violation of the act. The bill modifies the crime of failure to disclose recruitment to include failure to disclose an endorsement contract ten days before the contract is executed.

Effective Date: July 1, 2001.

Explanation of State Expenditures: The Office of the Attorney General will incur additional expenses associated with issuing certificates of registration to athletic agents. The extent of the additional expenses will depend on the number of individuals who will be interested in obtaining an athletic agent permit. Several states already license or register athletic agents. Fees vary from as low as \$30 to higher than \$1,000. The number of agents licensed or registered also vary by state. States such as Florida, Texas, and California have more registrations or licenses issued than less populated states. Below is a table illustrating the number of registrations/licenses and fees involved by selected states.

State	Fees	Entities Licensed
Florida	Application: \$500 Exam: \$287 License: \$750 Criminal Check: \$39	138
Texas	Per Entity: \$1000 Per additional agent within Entity: \$100	63
California	\$30	65
Kansas	Filing: \$1000	5

For the purpose of this analysis, an entity is considered to be an individual or a group of individuals such as a group, corporation, or limited liability company.

Depending on the number of individuals interested in obtaining a permit, the Attorney General may need to hire additional staff to process the applications. The funds and resources that may be required could be supplied through a variety of sources, including the following: (1) Existing staff and resources not currently being used to capacity; (2) Existing staff and resources currently being used in another program; (3) Authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) Funds that, otherwise, would be reverted; or (5) New appropriations.

As of June 2000, one hundred and eighty-eight (188) full-time positions were authorized in the administration division of the Office of the Attorney General. Seventeen of the full-time positions, were vacant: five counsels, five field investigators, three trial deputies, two secretaries, and two office managers. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The Attorney General would also experience an increase in costs associated with the printing of forms pertaining to the certification of athletic agents. The expenditures for paper and printing should be able to be absorbed within the office's existing budget.

Several penalties are provided for violating sections of this proposal. All criminal violations are provided as a Class D Felony. A civil action may also take place for violations. Additionally, the Attorney General is required to file an injunction for restraint of an individual from continuing any activity that violates the provisions of this proposal. The Attorney General is also charged with the responsibility of assessment and recovery of any criminal or civil penalty.

A Class D felony is punishable by a prison term ranging from six months to three years or reduction to Class A misdemeanor depending upon mitigating and aggravating circumstances. The average expenditure to house an adult offender was \$20,700 in FY 1999. Individual facility expenditures ranged from \$14,936 to \$37,807. (This does not include the cost of new construction.) If offenders can be housed in existing facilities with no additional staff, the average cost for medical care, food, and clothing is approximately \$1,825 annually, or \$5 daily, per prisoner. The average length of stay in Department of Correction (DOC) facilities for all Class D felony offenders is approximately ten months.

The impact of this proposal is indeterminable and dependent on the number of individuals seeking to obtain an athletic agent permit.

Explanation of State Revenues: A civil action may take place for violations not to exceed a monetary penalty of \$25,000 for each violation. Civil penalties are deposited in the General Fund.

If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class D felony is \$10,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: If more defendants are detained in county jails prior to their court hearings, local expenditures for jail operations may increase. The average cost per day is approximately \$44.

Explanation of Local Revenues: If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Indiana Office of the Attorney General; Indiana Department of Correction.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: Indiana Sheriffs Association; Department of Correction; Indiana State Budget Agency; Florida Office of Secretary of State; Robyn Barineau, Community Association Managers Auctioneers Talent Agencies and Athlete Agents, (850) 487-2278; Ohio Athletic Commission, (330) 742-5120; Dorothy Wilson, Texas Office of Secretary of State, (512) 475-1769; Shirley Jones, California Office of Secretary of State, (916) 653-4984; Christy Stutz, Kansas Office of Secretary of State, (785) 296-2034; Michigan Office of Secretary of State.